

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

DEPARTMENT 41

HON. RAYMOND CARDENAS, JUDGE

RELIGIOUS TECHNOLOGY CENTER, A)
CALIFORNIA NON-PROFIT RELIGIOUS)
CORPORATION; CHURCH OF SCIENTOLOGY)
INTERNATIONAL, A CALIFORNIA NON-PROFIT)
RELIGIOUS CORPORATION; AND CHURCH OF)
SCIENTOLOGY OF CALIFORNIA, A)
CALIFORNIA NON-PROFIT RELIGIOUS)
CORPORATION,)

PLAINTIFFS,)

VS.)

JOSEPH A. YANNY, AN INDIVIDUAL;)
JOSEPH A. YANNY, A PROFESSIONAL LAW)
CORPORATION; AND DOES 1 THROUGH 25,)
INCLUSIVE,)

DEFENDANTS.)

SUPERIOR COURT
CASE NO. BC 033035

REPORTER'S TRANSCRIPT

AUGUST 6, 1991

APPEARANCES:

(AS NOTED ON NEXT PAGE.)

COPY

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FOR DEFENDANT JOSEPH
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LOS ANGELES, CALIFORNIA

TUESDAY, 8-6-91 # 9:32 A.M.

DEPT. 41

HON. RAYMOND CARDENAS, JUDGE

APPEARANCES: (AS NOTED ON TITLE PAGE.)

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THE COURT: RELIGIOUS TECHNOLOGY CENTER VERSUS
YANNY.

THE MATTER IS HERE FOR HEARING ON THE
QUESTION OF THE PRELIMINARY INJUNCTION.

THE COURT HAS HERETOFORE SIGNED A TEMPORARY
RESTRAINING ORDER, JULY 31ST, AND AT THIS TIME, I WILL HAVE
THE PARTIES IDENTIFY THEMSELVES AND THEIR APPEARANCE.

MR. DRESCHER: GOOD MORNING, YOUR HONOR.

WILLIAM DRESCHER ON BEHALF OF THE PLAINTIFF
RELIGIOUS TECHNOLOGY CORPORATION.

MR. QUINN: JOHN QUINN ON BEHALF OF CHURCH OF
SCIENTOLOGY INTERNATIONAL.

MR. VAN SICKLE: BARRY VAN SICKLE ON BEHALF OF
JOSEPH A. YANNY, AN INDIVIDUAL.

MR. YANNY: AND JOSEPH A. YANNY ON BEHALF OF JOSEPH
A. YANNY, A PROFESSIONAL CORPORATION, YOUR HONOR.

THE COURT: THE COURT HAS BEFORE IT A QUESTION OF
WHAT, IF ANY -- WHETHER IT WILL ISSUE A PRELIMINARY
INJUNCTION OR NOT IN LIGHT OF CASE NO. BC 033035.

THE COURT HAS ISSUED THE TRO AS A STOPGAP
MEASURE. I'LL TELL YOU AT THE OUTSET THAT I THINK THAT
I'VE SIGNED IT FOR A TRO, BUT THAT IT'S TOO BROAD IN

1 NATURE, SO WE GET BACK TO THE FIRST ISSUE, HOWEVER, IS
2 WHETHER OR NOT ANY PRELIMINARY INJUNCTION SHOULD ISSUE.

3 TWO THINGS OCCUR HERE. THERE ARE TWO
4 PARTIES, NAMELY, THE QUESTION OF MR. YANNY REPRESENTING THE
5 AZNARANS AND MR. YANNY REPRESENTING MR. ARMSTRONG.

6 I MIGHT POINT OUT THAT IN YANNY I, AS IT'S
7 BEEN REFERRED TO -- AND YOU ALL KNOW THAT I'M REFERRING TO
8 THE OTHER CASE THAT WAS PRESENTED HERE IN COURT -- I'M NOT
9 GOING TO REPEAT IT, I'LL JUST REFER TO IT AS YANNY I --
10 YANNY I WAS, AMONG OTHER THINGS, A REQUEST BY PLAINTIFFS TO
11 PREVENT MR. YANNY FROM DISCLOSING SECRETS OR CONFIDENCES
12 THAT HE RECEIVED TO OTHERS, AND THE COURT RULED THAT THE
13 PLAINTIFF DID NOT PROVE ITS CASE, THAT IS, TO IDENTIFY THE
14 SECRETS OR THE CONFIDENCES THAT WERE BEING DISCLOSED, AND
15 THE COURT RULED THAT IT DID NOT, MEANING THE PLAINTIFFS,
16 DID NOT PROVE DAMAGE WITH RESPECT TO THAT.

17 THE PICTURE IS NOW CHANGED, AND PART OF THE
18 COURT'S OPINION IN YANNY I, THE COURT ALLUDED TO THE FACT
19 THAT MR. YANNY HAD SHOWN A PROPENSITY TO PERHAPS BE ON THE
20 BORDERLINE OF A BREACH OF A DUTY TO A FORMER CLIENT IN THE
21 OTHER CASE.

22 NOW, WHAT HAS TRANSPIRED IS THAT, FACTUALLY,
23 MR. YANNY REPRESENTED THE CHURCH, OR THE PLAINTIFFS, FOR A
24 PERIOD OF YEARS, AND THAT'S ADMITTED, AND AT THAT TIME, MS.
25 AZNARAN --

26 AND I FORGET HER HUSBAND'S NAME.

27 MR. YANNY: RICHARD.

28 THE COURT: -- RICHARD, WERE PART OF THE CHURCH, OR

1 THE PLAINTIFFS, AND SO NOW WE HAVE A SITUATION WHERE MR.
2 YANNY HAS ACTUALLY APPEARED FOR THE AZNARANS IN THE FEDERAL
3 COURT AGAINST THE PLAINTIFFS, WHICH BRINGS INTO PLAY
4 WHETHER OR NOT -- WHETHER THERE IS A REMEDY WHERE A LAWYER
5 IS REPRESENTING SOMEONE AGAINST A FORMER CLIENT, AND THE
6 QUESTION IS WHETHER OR NOT THAT'S IN VIOLATION OF THE RULES
7 OF PROFESSIONAL CONDUCT, RULE 33-310(D), AND ALSO RULES OF
8 PROFESSIONAL CONDUCT 6068, SUBDIVISIOIN (E).

9 THE PICTURE IS QUITE DIFFERENT THAN IN THE
10 FORMER CASE, BECAUSE, HERE, WE HAVE NO NEED FOR THE
11 PLAINTIFFS TO POINT OUT WHAT SPECIFIC SECRETS OR
12 CONFIDENCES ARE BEING DISCLOSED, BUT RATHER, IT'S PRESUMED
13 THAT THERE'S AN ADVERSE REPRESENTATION, AND THE ONLY ISSUE
14 THAT WE HAVE, AT LEAST RIGHT NOW, WOULD BE WHETHER THERE'S
15 A SUBSTANTIAL RELATIONSHIP BETWEEN WHAT YANNY DID, OR FOR
16 THE PLAINTIFFS, WHAT INTERESTS HE REPRESENTED, VERSUS WHAT
17 HIS INTERESTS ARE NOW AND WHAT INTERESTS ARE BEING
18 REPRESENTED IN THE AZNARAN CASE.

19 THE ARMSTRONG CASE IS SOMEWHAT DIFFERENT,
20 ALTHOUGH I THINK IT'S UNDISPUTED THAT YANNY REPRESENTED THE
21 PLAINTIFFS AGAINST ARMSTRONG AT SOMETIME -- AND MAYBE
22 THAT'S A WRONG ASSUMPTION -- MR. YANNY'S SHAKING HIS HEAD
23 -- BUT MR. YANNY, I BELIEVE, REPRESENTED THE PLAINTIFFS IN
24 MANY RESPECTS, AND IN PARTICULAR, I THINK BROUGHT OR WAS IN
25 CHARGE OF LEGAL ACTION PRESERVING THE COPYRIGHT INTERESTS
26 OF THE PLAINTIFFS AND OTHER INTERESTS.

27 SO THE QUESTION HERE IS WHETHER OR NOT A
28 RESTRAINING ORDER SHOULD BE MADE TO PRECLUDE MR. YANNY FROM

1 REPRESENTING ARMSTRONG, PRESUMPTIVELY, IF HE IS. THAT'S A
2 QUESTION, I THINK, MR. YANNY DENIES, BUT EVEN IF HE WAS, IS
3 THERE A MATERIAL OR SUBSTANTIAL RELATIONSHIP BETWEEN THE
4 INTERESTS THAT MR. YANNY HAD IN PROTECTING FOR THE
5 PLAINTIFFS AND THOSE THAT HE PURSUES OR IS ALLEGED TO BE
6 PURSUING FOR MR. ARMSTRONG?

7 IT'S A LONG-WINDED WAY OF SUMMARIZING WHERE
8 WE'RE AT, AND TO BEGIN WITH, MR. VAN SICKLE: IN LIGHT OF
9 MR. YANNY'S ADMITTED REPRESENTATION OF AZNARANS IN FEDERAL
10 COURT, WHY ISN'T THERE A VIOLATION OF THE RULES OF
11 PROFESSIONAL CONDUCT THAT SHOULD BE RESTRAINED?

12 MR. VAN SICKLE: WELL, SEVERAL REASONS.

13 ONE, AS THE COURT HAS RECOGNIZED, IF HE
14 REPRESENTS THE AZNARANS IN FEDERAL COURT, THEN THE
15 APPROPRIATE REMEDY IS FOR THEM TO GO IN AND DISQUALIFY THEM
16 -- MR. YANNY.

17 NOW, DISQUALIFICATION IS NOT PUNITIVE IN
18 NATURE, SO, THEREFORE, WHEN YOU'RE INVOLVED IN A
19 DISQUALIFICATION, THE BURDEN'S A LITTLE BIT DIFFERENT. THE
20 PRESUMPTIONS ARE DIFFERENT. THE PRESUMPTION OF, SAY,
21 DISCLOSING SECRETS, VARIOUS PRESUMPTIONS WORK IN THEIR
22 FAVOR IN A DISQUALIFICATION MOTION.

23 BUT THOSE SAME PRESUMPTIONS DO NOT OPERATE IN
24 A PRELIMINARY INJUNCTION, AND THAT MAKES SENSE. BECAUSE
25 WHEN YOU'RE GOING INTO COURT AND ASKING FOR
26 DISQUALIFICATION ON A CASE-BY-CASE BASIS, YOU'RE GOING THE
27 WAY YOU'RE SUPPOSED TO GO.

28 YOU COME INTO COURT ON A PRELIMINARY

1 INJUNCTION AND YOU'VE GOT TO MEET THE A, B, C'S OF
2 PRELIMINARY INJUNCTIONS, AND A COUPLE OF THINGS THAT ARE IN
3 THE A, B, C'S OF PRELIMINARY INJUNCTION IS THEY HAVE TO
4 PROVE THAT WHAT MR. YANNY IS DOING IS WRONG.

5 THEY HAVE TO PROVE TO THIS COURT'S
6 SATISFACTION THAT THEY HAVE A REASONABLE PROBABILITY THAT
7 THEY'RE GOING TO WIN ON THE MERITS. ALL OF THOSE THINGS
8 THEY HAVE TO PROVE THAT THEY DON'T NECESSARILY HAVE TO
9 PROVE WHEN THEY'RE DISQUALIFYING HIM OVER IN FEDERAL COURT.

10 THE COURT: DOESN'T THIS COURT HAVE THE POWER AND
11 THE JURISDICTION TO PRECLUDE MR. YANNY FROM REPRESENTING --
12 INITIATING ANY CASE IN THIS STATE -- IN THE STATE -- WHERE
13 HE ALLEGEDLY REPRESENTS THE AZNARANS, PLURAL?

14 YOU'RE SAYING THAT THE COURTS OF THE VARIOUS
15 COUNTIES WILL HAVE TO BE -- YOU'LL HAVE TO PURSUE THEM IN
16 EVERY COUNTY TO BE DISQUALIFIED RATHER THAN THIS COURT
17 SIMPLY DISQUALIFYING MR. YANNY FROM REPRESENTING THEM
18 THROUGHOUT THE STATE?

19 MR. VAN SICKLE: SEVERAL QUESTIONS THERE.

20 ONE, THE QUESTION OF YOUR JURISDICTION. WE
21 HAVE CITED SOME CASE LAW, INCLUDING THE RECENT ONE IN JULY
22 ABOUT THIS COURT CAN'T GO AROUND ORDERING OTHER COURTS WHAT
23 TO DO.

24 THE COURT: WE'LL CUT ACROSS THAT, MR. VAN SICKLE.
25 WE'LL CUT ACROSS THAT TO BEGIN WITH.

26 IF THERE IS AN EXISTING CASE IN ANOTHER
27 COUNTY OF THIS STATE, THE PROCEDURE THERE WOULD BE THAT A
28 MOTION TO DISQUALIFY WOULD HAVE TO BE TAKEN, AND THAT WAY,

1 THIS COURT DOES NOT IMPINGE ON THE OTHER COUNTY'S
2 JURISDICTION.

3 HOWEVER, WHY CAN'T THIS COURT ISSUE AN
4 INJUNCTION PRECLUDING MR. YANNY FROM INITIATING ANY LAWSUIT
5 ON BEHALF OF THE AZNARANS AGAINST THE PLAINTIFFS IN ANY --
6 IN THIS STATE?

7 MR. VAN SICKLE: BECAUSE THEY CAN'T COME IN IN FRONT
8 OF YOU, YOUR HONOR, AND MAKE THE A, B, C'S. THEY CAN'T
9 COME IN AND SHOW THERE'S REASONABLE PROBABILITY THAT MR.
10 YANNY IS GOING TO INITIATE A CASE FOR THE AZNARANS ANYMORE.
11 IT'S ALREADY THERE. THEY CAN'T MAKE A SHOWING THAT THERE'S
12 A REASONABLE POSSIBILITY THAT MR. YANNY'S GOING TO INITIATE
13 A CASE FOR MR. ARMSTRONG.

14 THERE'S NOTHING IN FRONT OF THE COURT THAT'S
15 SHOWING ANY IMMEDIATE THREAT OF HARM, SO WHAT THEY CAN'T DO
16 IS MEET THE THRESHOLD REQUIREMENTS, THE A, B AND C'S OF
17 WHAT THEY NEED TO DO TO HAVE A PRELIMINARY INJUNCTION.
18 THERE IS NO THREAT. THERE'S NO IMMEDIATE HARM. THERE'S NO
19 THREAT OF IRREPARABLE INJURY.

20 SHOULD MR. YANNY INITIATE SUCH A CASE,
21 ALTHOUGH THEY'VE MADE NO SHOWING -- IT'S A REASONABLE
22 PROSPECT -- SHOULD HE DO IT, THE REMEDY, THEN, IS FOR THEM
23 TO GO IN ON A CASE-BY-CASE ANALYSIS AND CHALLENGE IT THERE.
24 AND THAT MAKES A LOT OF SENSE, BECAUSE THEN THE COURT CAN
25 LOOK AT THE CASE IN FRONT OF IT INSTEAD OF IN THE ABSTRACT.
26 THE COURT LOOKS AT THE CASE IN FRONT OF IT AND THEN THE
27 COURT CAN DEAL WITH THE WAIVER ISSUE, THE SUBSTANTIAL
28 RELATIONSHIP TEST.

1 IF THIS COURT IS GOING TO DO THAT, WHAT THIS
2 COURT IS GOING TO BE ASKED TO DO IS TO DO THE IMPOSSIBLE.
3 THIS COURT IS GOING TO BE ASKED TO DETERMINE IN THE
4 ABSTRACT WITHOUT ANY FACTS IN FRONT OF IT THAT LITERALLY
5 ANY CASE THAT MR. YANNY MIGHT CONSIDER, INITIATE, IS DE
6 FACTO SUBSTANTIALLY RELATED TO WHAT HE DID BEFORE.

7 AND THIS COURT'S GOING TO BE REQUESTED TO
8 RULE IN THE ABSTRACT THAT ANY OF THESE CASES CANNOT
9 POSSIBLY INVOLVE THE WAIVER QUESTION; THAT THESE CASES
10 CAN'T BE BROUGHT EVEN THOUGH THERE'S BEEN THIS SUBSTANTIAL
11 WAIVER.

12 SO WHAT THEY'RE TRYING TO GET YOU TO DO IS
13 CREATE A SITUATION WHERE THE WAIVER THAT'S OCCURRED IS
14 SWEEPED UNDER THE CARPET, WHERE THE SUBSTANTIAL RELATIONSHIP
15 TEST IS COMPLETELY IGNORED, AND IF YOU FIND THAT MR. YANNY
16 REPRESENTED SCIENTOLOGY, SOMEBODY WANTS TO SUE SCIENTOLOGY,
17 THEN MR. YANNY CAN'T SUE SCIENTOLOGY AND YOU DON'T GO
18 THROUGH ANY OF THE ANALYSIS AND, THEREFORE, THOSE ISSUES
19 GET SWEEPED UNDER THE CARPET, BUT PERHAPS MORE IMPORTANTLY,
20 THEY'RE COMING IN FOR EXTRAORDINARY RELIEF.

21 THEY'RE ASKING YOU TO ISSUE SOME ORDERS THAT
22 ARE GOING TO BE USED AGAINST MR. YANNY. THEY'RE GOING TO
23 BE USED TO POLICE. THEY'RE GOING TO BE USED TO TAKE
24 DEPOSITIONS OF PEOPLE HE TALKS TO. THERE'S GOING TO BE A
25 CLOUD HANGING OVER HIS HEAD WITHOUT COMING IN AND SHOWING
26 THAT THERE'S ANY DANGER THAT IT'S GOING TO HAPPEN.

27 THE COURT: MR. VAN SICKLE, YOU'RE MAKING AN
28 ASSUMPTION, AND I GUESS A VALID ONE BASED ON THE TRO ISSUE.

1 I'VE ALREADY TOLD YOU, IT'S TOO BROAD. YOU'RE MAKING AN
2 ASSUMPTION THAT THIS COURT WOULD ISSUE AN ORDER TO PRECLUDE
3 MR. YANNY FROM ASSOCIATING, SPEAKING TO OR OTHERWISE HAVING
4 RELATIONSHIPS, SOCIAL OR OTHERWISE, WITH ANY PERSON,
5 AZNARANS AND OTHERS. THAT IS NOT THE INTENT.

6 NOW, IT IS A QUESTION OF WHETHER OR NOT AN
7 ORDER CAN BE FASHIONED IN A WAY THAT ALLOWS EVEN MR. YANNY
8 FROM HIRING, FOR EXAMPLE, ARMSTRONG AS HIS LAW CLERK OR AS
9 HIS PARALEGAL. CERTAINLY, THE COURT'S INTENT IS NOT TO
10 MAKE SUCH A BROAD ORDER THAT IT WOULD PRECLUDE ASSOCIATION,
11 DISCUSSION AND SO FORTH.

12 MR. VAN SICKLE: OKAY. WELL --

13 MR. YANNY: YOUR --

14 MR. VAN SICKLE: MR. YANNY -- IN ADDITION -- AGAIN,
15 THE FUNDAMENTAL FACT IS, EVEN IF YOU TRY TO NARROW THE
16 ORDER, YOU'RE NOT GOING TO BE ABLE TO DO IT WITHOUT
17 INFRINGING ON HIS RIGHTS, WITHOUT DOING SOMETHING THAT ON
18 THE RECORD BEFORE THE COURT YOU SHOULDN'T DO, BECAUSE THEY
19 HAVEN'T SHOWN THE THREAT. WHAT'S HAPPENED?

20 HE'S APPEARED IN THE AZNARAN CASE. NOW, HE'S
21 OUT. THAT'S REALLY ALL THERE IS TO IT. HE'S TALKED TO
22 ARMSTRONG. WE'VE ASKED THE COURT TO TAKE JUDICIAL NOTICE
23 OF THE ARMSTRONG DECISION THAT RECENTLY CAME DOWN. THAT
24 CASE IS OVER, BASICALLY, AND MR. YANNY ISN'T IN IT.

25 AND IF YOU LOOK AT THE CASE, YOU'LL SEE
26 SEVERAL THINGS. ONE, IT'S ABOUT SEALING COURT DOCUMENTS,
27 WHICH IS SOMETHING THAT MR. YANNY HAS A LEGITIMATE INTEREST
28 IN. IT'S ALSO PERTINENT TO THE ISSUE OF WHO SHOULD BE

1 BELIEVED, PERHAPS. BUT THE ARMSTRONG CASE, IF YOU LOOK AT
2 IT, IT'S ABOUT SEALING COURT RECORDS.

3 MR. YANNY IS A LITIGANT AGAINST THE CHURCH OF
4 SCIENTOLOGY. HE'S BEEN DEFAMED AGAIN, AND WE BROUGHT THE
5 TEXT THIS MORNING WHERE SCIENTOLOGY SAYS THAT HE DIDN'T --
6 HE WAS UNABLE TO PERFORM, HE DIDN'T DO GOOD WORK, HE WAS
7 FOUND TO BE BREACHING FIDUCIARY DUTIES, HE WAS FOUND TO BE
8 TAKING DRUGS.

9 NOW, THEY ATTACK HIM IN THE MEDIA, AND WHAT
10 THEY'RE SEEKING IS AN ORDER THAT WON'T ALLOW MR. YANNY TO
11 GO OUT AND GATHER HIS EVIDENCE TO START TALKING TO THE
12 WITNESSES, LIKE GERALD ARMSTRONG, TO START TO DO THE THINGS
13 THAT HE BELIEVES HE REASONABLY NEEDS TO DO. THEY'RE
14 ATTACKING HIM IN THE MEDIA. THEY'VE WAIVED ANY PRIVILEGE
15 ON THAT, AND HE HAS SOME RIGHT TO PROTECT HIS GOOD NAME AND
16 RESPOND TO THAT.

17 THE COURT: I THINK WE'RE CONFUSING THE MATTER.

18 I HAVE PREVIOUSLY STATED AND RULED IN YANNY I
19 THAT MR. YANNY HAS A LEGITIMATE RIGHT TO DEFEND HIMSELF BY
20 ACTIONS AGAINST THE PLAINTIFFS, IF HE FEELS THAT HE'S
21 WRONGED, TO GATHER EVIDENCE TO PURSUE HIS CASE AGAINST THE
22 PLAINTIFFS, AND HE HAS A LEGITIMATE RIGHT TO THE EXTENT
23 THAT HE'S ATTACKED TO REACT AND PERHAPS TO BRING A LAWSUIT.

24 THAT'S NOT THE ISSUE. THE ISSUE HERE IS
25 WHETHER OR NOT MR. YANNY'S WILLINGNESS TO REPRESENT THE
26 AZNARANS IN THE FEDERAL COURT IS AN INDICATION THAT HE
27 WOULD DO THE SAME IN THE STATE COURTS WHERE HE BRINGS AN
28 ACTION AGAINST HIS FORMER CLIENTS WITHOUT THE FORMER

1 CLIENTS' CONSENTS ON A MATTER THAT MAY BE SUBSTANTIALLY --
2 HAVE A SUBSTANTIAL RELATIONSHIP TO THOSE THINGS THAT YANNY
3 DID FOR THE PLAINTIFFS WHEN HE WAS THEIR LAWYER.

4 MR. VAN SICKLE: MR. YANNY WISHES TO ADDRESS THAT
5 POINT.

6 THE COURT: MR. YANNY.

7 MR. YANNY: YOUR HONOR, I WOULD ASK THE COURT TO
8 READ THE DECLARATION AGAIN THAT I SUBMITTED, AND IN THE
9 COURT'S OWN OPINION, WHAT THE COURT SAID IN YANNY I -- AND
10 I WANT TO EMPHASIZE THAT -- IS THAT IT MIGHT NOT
11 NECESSARILY BE IMPROPER FOR ME TO REPRESENT THE AZNARANS OR
12 OTHER PEOPLE AGAINST MY FORMER CLIENTS; THAT THAT SHOULD BE
13 DETERMINED ON A CASE-BY-CASE BASIS.

14 THE COURT: NO. NO. IT WASN'T THAT REFERENCE,
15 CASE-BY-CASE METHOD. I SIMPLY POINTED OUT THAT AT SOME
16 TIMES, THERE MAY BE SITUATIONS WHERE IT WOULD NOT BE A
17 VIOLATION IF A FORMER ATTORNEY REPRESENTED A PARTY AGAINST
18 THE FORMER CLIENT.

19 MR. YANNY: I BELIEVE YOUR HONOR DID MENTION IT
20 SHOULD BE DETERMINED ON A CASE-BY-CASE BASIS, AND THAT
21 COUNSEL NOT REGULATE THE PRACTICE OF LAW, THAT SHOULD BE
22 DETERMINED BY THE STATE BAR.

23 YOUR HONOR, LET'S PUT THIS ALL BACK INTO
24 CONTEXT, BECAUSE, YOU KNOW, THEY HAVEN'T CONVEYED ANY
25 SECRETS TO ME SINCE I LAST LITIGATED WITH THEM IN YANNY I,
26 AND THIS COURT SPECIFICALLY FOUND THAT AT THE CONCLUSION OF
27 YANNY I -- AND I BELIEVE THEIR ISSUE PRECLUDED ON THIS --
28 THAT THERE WAS NOTHING THAT I KNEW THAT VICKI AZNARAN

1 DIDN'T KNOW. SHE WAS THE EXECUTIVE THERE.

2 AND I DON'T WANT TO GET LOST. BUT, YOUR
3 HONOR WANTS TO SOMEHOW DO EQUITY TO PROTECT THESE PEOPLE.
4 TO PROTECT THESE PEOPLE. AND I CAN UNDERSTAND THAT. IF
5 SOMEONE'S ENTITLED TO EQUITY. BUT THERE'S ALSO A DOCTRINE
6 OF UNCLEAN HANDS. NOW, WHAT ARE THEY ASKING YOU TO DO
7 EQUITY WITH RESPECT TO THEM?

8 LET'S NOT LOSE SIGHT OF THE FACT THAT THE
9 CASE LAW SPECIFICALLY STATES THAT EVEN ON A CASE-BY-CASE
10 BASIS, A REQUEST TO DISQUALIFY IS BASICALLY A REQUEST IN
11 EQUITY THAT A LAWYER BE ENJOINED FROM PROCEEDING IN THE
12 REPRESENTATION IN WHICH HE IS ENGAGED UPON.

13 NOW, I THINK THE COURT CORRECTLY POINTED OUT
14 AT THE CONCLUSION OF YANNY I THAT THEY DIDN'T SHOW THAT I
15 HAD VIOLATED ANY CONFIDENCES.

16 THE COURT: MR. YANNY, WE'RE NOT GOING TO REPEAT ALL
17 OF THAT, BUT YOU WILL NOTE THAT IN YANNY I, YANNY WAS NOT
18 ATTORNEY OF RECORD FOR AZNARANS. YANNY HAD THE AZNARANS IN
19 HIS HOME. THAT WASN'T SUFFICIENT. YANNY ACTUALLY DROVE
20 AZNARANS TO SEE OTHER LAWYERS.

21 MR. YANNY: CORRECT, YOUR HONOR.

22 THE COURT: THE COURT RULED THAT THAT WASN'T AN
23 ADVERSE REPRESENTATION AGAINST A FORMER CLIENT.

24 BUT THOSE FACTS WERE SKIRTING THE BOUNDARIES
25 OF WHERE YOU PASS INTO A VIOLATION OF THE RULES I'VE SET
26 OUT BEFORE, WHICH SAYS THAT YOU CANNOT REPRESENT A CLIENT
27 AGAINST A FORMER CLIENT WHERE THERE'S SUBSTANTIAL
28 RELATIONSHIP BETWEEN THE SUBJECT MATTERS OF REPRESENTATION,

1 WITHOUT THE CONSENT OF THE FORMER CLIENT.

2 MR. YANNY: YOUR HONOR --

3 THE COURT: AND THAT IS WHAT WE'RE ABOUT IN THE CASE
4 WHERE YANNY REPRESENTED AND BECAME OF RECORD FOR THE
5 AZNARANS IN THE FEDERAL COURT.

6 MR. YANNY: AND YOUR HONOR, THAT IS PRECISELY WHERE
7 IT SHOULD BE DETERMINED AS TO WHETHER THERE WAS A
8 SUBSTANTIAL RELATIONSHIP BETWEEN WHAT I DID FOR THEM, FOR
9 THESE PEOPLE, AND WHAT I DIDN'T DO.

10 I WOULD ALSO POINT OUT, YOUR HONOR, THERE
11 COMES A POINT IN TIME WHERE THEY CROSS THE LINE AS FAR AS
12 CLAIMING LICENSE TO STOP ME FROM SAYING THINGS IN MY OWN
13 DEFENSE. IN THAT REGARD, I'D LIKE TO PUT INTO THIS COURT,
14 BECAUSE I THINK IT'S IMPORTANT -- AND I'LL GIVE YOU -- AND
15 I DECLARE UNDER PENALTY OF PERJURY OF THE LAWS OF THE
16 UNITED STATES AND THE STATE OF CALIFORNIA THAT WHAT I'M
17 ABOUT TO GIVE THE COURT IS THE DECLARATION OF MICHAEL T.
18 STOLLER SUPPLIED BY MY ESTEEM OPPOSITION MR. DRESCHER IN A
19 CASE ACROSS THE HALL HERE, BENT CORYDON V. CHURCH OF
20 SCIENTOLOGY AND RELATED CROSS ACTIONS, IN WHICH THEY WERE
21 TRYING TO DISQUALIFY MR. VAN SICKLE, WHICH ATTEMPT WAS
22 DENIED, WHICH ATTEMPT WAS THEN FURTHER DENIED BY THE COURT
23 OF APPEALS ON A WRIT.

24 AND ALSO, A TRUE AND ACCURATE COPY OF WHAT I
25 PLACED UP THERE ALREADY, "FACT VERSUS FICTION," A
26 PUBLICATION THAT CAME OUT BY THE CHURCH OF SCIENTOLOGY.

27 MR. DRESCHER: YOUR HONOR ALREADY REJECTED THAT ONE.

28 MR. YANNY: YOU CAN OBJECT ALL YOU WANT, BUT I'M

1 GOING TO FINISH.

2 MR. DRESCHER: I DIDN'T OBJECT. I POINTED OUT TO
3 THE COURT THAT HE'S --

4 THE COURT: LET HIM FINISH.

5 MR. YANNY: THE STATEMENT IS, "BEHAR" -- THE "TIME
6 MAGAZINE STATEMENT" -- THIS IS ON PAGE 9 OF "FACT VERSUS
7 FICTION" (READING):

8
9 "BEHAR PORTRAYS FORMER CHURCH ATTORNEY
10 JOSEPH YANNY AS AN EXPERT ON THE CHURCH OF
11 SCIENTOLOGY. THE TIME ARTICLE ATTEMPTS TO
12 PUT THE CHURCH ON TRIAL USING FALSE CLAIMS
13 THAT WERE SPECIFICALLY EXCLUDED FROM THE
14 LITIGATION WITH YANNY BY THE TRIAL JUDGE --
15 E.G., THAT YANNY WAS ASKED TO STEAL RECORDS
16 FOR THE CHURCH, AND WAS THE SUBJECT OF
17 CHURCH," QUOTE "'HARASSMENT,'" END QUOTE,
18 COMMA, "INCLUDING DEATH THREATS AND
19 BURGLARIES.

20 "TRUE INFORMATION:"

21 PAGE 9.

22 "YANNY IS A FORMER ATTORNEY FOR THE
23 CHURCH WHO WAS FOUND TO BE TAKING LSD WHEN
24 SCIENTOLOGY EXECUTIVES INVESTIGATED WHY YANNY
25 WAS UNABLE TO MAINTAIN AN ACCEPTABLE LEVEL OF
26 PERFORMANCE AND PROFESSIONAL CONDUCT.

27 "AFTER LEAVING CHURCH EMPLOY, YANNY
28 PROCEEDED TO BREAK ATTORNEY-CLIENT

1 CONFIDENCES. IN SUBSEQUENT LITIGATION WITH
2 YANNY CONCERNING HIS BREACH OF CONTRACTUAL
3 AGREEMENT, SUPERIOR COURT JUDGE CARDENAS
4 FOUND THAT YANNY SHOWED," QUOTE, "'A READY
5 WILLINGNESS TO DISREGARD LEGAL AND ETHICAL
6 RESPONSIBILITIES OWED TO HIS FORMER
7 CLIENTS,'" END QUOTE.

8
9 OKAY. THEY DIDN'T SAY "ALLEGED." SEE, THEY
10 ATTACK ME IN THIS THING.

11 I DON'T KNOW. YOUR HONOR POINTED OUT QUITE
12 CLEARLY THAT WHEN MR. COOLEY AND REVEREND RATHBUN HERE WENT
13 DOWN TO TEXAS AND WERE TALKING TO THE AZNARANS AND IMPUNED
14 MY INTEGRITY, IMPUNED MY ABILITY, THEY HAD TO SOME DEGREE
15 WAIVED THE PRIVILEGE. THEY'VE DEFAMED ME WITH THIS THING,
16 AND THEY DID IT BEFORE THEY FILED THIS LAWSUIT AND SOUGHT
17 THIS TRO.

18 NOW, THE PROBLEM IS, I'D LIKE TO GET MIKE
19 FLYNN TO TAKE MY CASE, BUT YOU KNOW, JUDGE, YOU WANT TO DO
20 EQUITY. LET'S TALK ABOUT EQUITY HERE. MIKE FLYNN'S BEEN
21 BOUGHT OFF BY A SECRET AGREEMENT THAT IS AGAINST PUBLIC
22 POLICY, IS AGAINST THE LAW, AND ALSO ELIMINATED HIM FROM
23 THE POOL OF RESOURCES AVAILABLE TO VICKI AND RICHARD
24 AZNARAN.

25 THE COURT: MR. YANNY, THOSE AGREEMENTS, APPARENTLY,
26 PASSED MUSTER AND THEY WERE APPROVED BY A COURT.

27 MR. YANNY: NO, JUDGE. SEE, THAT IS ONE OF THE
28 OTHER FALSITIES THAT YOU'RE BUYING INTO, BECAUSE THOSE

1 AGREEMENTS WERE NEVER PLACED BEFORE A COURT. AND JUDGE
2 BRECKENRIDGE --

3 THE COURT: MR. YANNY, YOU HAVE CITED HERE IN THE
4 LAST TWO OR THREE MINUTES, APPARENTLY, WHAT APPEARS TO BE A
5 GOOD BASIS FOR A SUIT AGAINST THE PLAINTIFFS, BUT THAT'S
6 NOT WHAT WE'RE HERE ABOUT, EXCEPT INsofar AS YOUR COMMENTS
7 ARE AN ATTEMPT TO POINT OUT THAT THE COURT'S REMEDY HERE IS
8 EQUITABLE IN NATURE AND THEY SHOULD NOT BE GRANTED BECAUSE
9 OF THEIR UNCLEAN HANDS.

10 MR. YANNY: EXACTLY, YOUR HONOR.

11 THE COURT: ALL RIGHT.

12 MR. YANNY: THEY CANNOT ATTACK.

13 I WOULD ALSO POINT OUT FOR THE COURT, YOUR
14 HONOR. YOU PLACED, APPARENTLY, A LOT OF WEIGHT UPON THE
15 DECISION OF JUDGE IDEMAN.

16 I WOULD ALSO POINT OUT FOR THE RECORD THAT
17 JUDGE IDEMAN'S DECISION WAS REACHED WITHOUT BRIEFING. HE
18 DID THAT SUI SPONTE.

19 I WOULD ALSO ASK THE COURT INsofar AS YOU
20 WANT TO DO EQUITY HERE TODAY, TO CONSIDER THE FOLLOWING
21 FACT: OKAY. I DID NOT FILE AN OPPOSITION BRIEF OVER
22 THERE. I'D LIKE TO MAKE A MOTION FOR RECONSIDERATION OVER
23 THERE.

24 THE COURT: WELL, PERHAPS YOU OUGHT TO DO THAT. BUT
25 FOR NOW, YOU'RE GOING TO SIT DOWN BECAUSE I'M NOT GOING
26 SPEND ALL THE TIME THIS MORNING ON THIS CASE.

27 MR. YANNY: ONE OTHER POINT. ONE OTHER POINT THAT
28 NEEDS TO BE ON THE RECORD.

1 THE COURT: MR. YANNY, YOU WILL BE SEATED FOR A
2 MOMENT.

3 MR. VAN SICKLE.

4 MR. VAN SICKLE: YES.

5 THE COURT: I WANT YOU TO -- THE OTHER ISSUE HERE IS
6 WHETHER OR NOT AN ISSUE RESTRAINING MR. YANNY FROM
7 REPRESENTING ARMSTRONG IN THIS CASE. I RECOGNIZE THAT IT'S
8 PROBABLY -- THAT COMPLAINT, THAT PORTION, WILL BE DENIED,
9 BECAUSE YANNY IN HIS OWN DECLARATION HAS INDICATED THAT HE
10 DOES NOT REPRESENT ARMSTRONG AS A LAWYER. SO YOUR BEST
11 ARGUMENT IS THAT THERE'S NO LIKELIHOOD THAT PLAINTIFFS WILL
12 PREVAIL VIS-A-VIS ARMSTRONG.

13 MR. VAN SICKLE: THAT'S A SUMMARY JUDGMENT ISSUE.
14 THEY SHOULD LOSE IN THAT SUMMARY JUDGMENT AS SOON AS WE GET
15 THE PAPERS TOGETHER, SO THERE'S NO SHOWING -- THERE'S NO
16 SHOWING OF HARM, NO SHOWING OF ANYTHING.

17 THEY'VE GOT JOE AND ARMSTRONG LOOKING AT A
18 CODE FILE TOGETHER IN FEDERAL COURT. THEY'RE DOING SOME
19 WORK TOGETHER WORKING ON LITERARY MATTERS. THAT'S IT. AND
20 ALSO, THERE'S NO ONGOING LITIGATION. THERE'S NOTHING
21 THEY'VE SHOWN THAT JOE CAN REALLY IMPACT.

22 THE COURT: I UNDERSTAND. THE DISTINCTION IS THAT
23 WE KNOW THAT MR. YANNY DID BECOME ATTORNEY OF RECORD IN THE
24 FEDERAL CASE AGAINST THE PLAINTIFFS FOR AZNARANS.

25 MR. VAN SICKLE: AND HE HAS EXPLAINED IN HIS
26 DECLARATION THE REASONS.

27 THE COURT: I UNDERSTAND.

28 MR. VAN SICKLE: HE WANTED TO TEST THE WATERS

1 BECAUSE HE PERCEIVED THERE WAS AN EMERGENCY, NOT BECAUSE HE
2 WANTED TO CARRY ON A CAMPAIGN, NOT BECAUSE HE WANTS TO
3 REPRESENT EVERYBODY AGAINST SCIENTOLOGY, NOT BECAUSE HE
4 WANTS 100 OTHER CASES, BUT ONLY BECAUSE HE WAS VERY
5 CONCERNED A DEFAULT MIGHT OCCUR BECAUSE HE COULDN'T GET
6 EXTENSIONS OF TIME.

7 THEY WERE IN PRO PER, AND THERE WERE THINGS
8 THAT NEEDED BEING HANDLED. HE THOUGHT THAT THE SUBSTANTIAL
9 RELATIONSHIP TEST PLUS THE WAIVER, INCLUDING THE TIME
10 ARTICLE AND THIS "FACT VERSUS FICTION," AND THE FACT THEY
11 MADE ALLEGATIONS IN THE COUNTY CLAIM THAT HE WAS A
12 CONSPIRATOR OF SORTS, AND HE WAS ONE OF THE PEOPLE THAT
13 HELPED THE AZNARANS DO THE THINGS THAT THEY ALLEGEDLY DID
14 THAT WERE WRONG --

15 THE COURT: ALL RIGHT.

16 MR. VAN SICKLE: BUT GIVEN ALL THOSE THINGS, HE
17 THOUGHT THAT THAT WAS AN UNUSUAL CASE, AND IT WAS HIS
18 OPINION, BASED IN PART UPON YOUR OPINION, BASED UPON HIS
19 RESEARCH, BASED UPON EVENTS, THAT IT WAS NOT WRONG FOR HIM
20 TO DO IT. AND HE SAID, YOU KNOW, I'LL GO IN. I'M GOING TO
21 TEST THE WATER AND SEE WHAT JUDGE IDEMAN PLANS TO DO.

22 NOW, IF HE'S PRESENTED WITH A SITUATION
23 WHERE, IN THOSE RARE CASES, WHERE HE WANTS TO TOUCH THE
24 WATERS, LOOK AT IT THE OTHER WAY, IS HE GOING TO HAVE TO
25 TEST THEM BOTH PLACES?

26 DOES HE HAVE TO GO OVER AND ENTER AN
27 APPEARANCE IN JUDGE IDEMAN'S CHAMBERS AND SURVIVE NOT ONLY
28 A MOTION TO DISQUALIFY, BUT ALSO GET SUED AND CALLED A 028

1 COMMON TORT-FEASOR EVERY TIME HE TRIES TO TEST THE WATERS?

2 THERE'S SOMETHING VERY WRONG WITH THAT. HE
3 SHOULD ONLY HAVE TO DO IT IN ONE FORM AND THAT SHOULD BE IN
4 THE CASE THAT'S INVOLVED.

5 THE COURT: MR. DRESCHER, ON THE OTHER SIDE, WHAT IS
6 YOUR BEST ARGUMENT IN THE REQUEST AGAINST REPRESENTATION OF
7 MR. ARMSTRONG?

8 I WILL ASSUME THAT YOUR COMPLAINT WILL BE
9 DENIED INSOFAR AS YANNY IN HIS DECLARATION POINTS OUT THAT
10 HE DOESN'T REPRESENT ARMSTRONG, SO I WOULD ASSUME THERE'LL
11 BE A DENIAL OF THAT IN THE COMPLAINT -- TO THE COMPLAINT.

12 WHAT REASON OR WHAT BASIS CAN THIS COURT
13 RESTRAIN HIM FROM REPRESENTING MR. ARMSTRONG, WHICH HE SAYS
14 HE DOESN'T IN ANY EVENT?

15 MR. DRESCHER: HE SAID THAT ONCE HE GOT HERE.
16 THAT'S NOT WHAT HE SAID OUTSIDE THE COURT. AND SINCE THE
17 COURT HAS TO, IN THIS KIND OF CIRCUMSTANCE, ASSESS SOME
18 CREDIBILITY FACTORS HERE, LET ME JUST REMIND THE COURT OF
19 THE FOLLOWING DETAILS CONCERNING THE ARMSTRONG
20 REPRESENTATION.

21 MR. YANNY: YOUR HONOR, MAY I BE EXCUSED?

22 THE COURT: WELL, THEREFORE, YANNY, THE INDIVIDUAL
23 IS NO LONGER HERE.

24 MR. YANNY: I'LL STAY.

25 THE COURT: BUT SINCE I'LL HAVE TO MAKE AN ORDER AT
26 THE CONCLUSION, I THINK YOU BETTER STAY.

27 MR. YANNY: ALL RIGHT, YOUR HONOR.

28 THE COURT: YES.

1 MR. DRESCHER: FIRST, KENDRICK MOXON STUMBLED UPON
2 MR. ARMSTRONG AND MR. YANNY TOGETHER GOING OVER A FILE
3 UNRELATED TO MR. ARMSTRONG AND MR. YANNY'S RELATIONSHIP
4 WITH THE CHURCH, AT LEAST ON THE SURFACE, EXCEPT THAT IT
5 WAS A CHURCH CASE.

6 THAT THE TWO OF THEM, TOGETHER, FIRST TRIED
7 TO CONCEAL FROM MOXON. WHEN MOXON DIRECTLY ASKED THE TWO
8 OF THEM, AS YANNY AND ARMSTRONG STOOD SIDE BY SIDE, HE
9 ASKED ARMSTRONG, IS HE YOUR LAWYER, AND IT WAS A KEYSTONE
10 COP SCENE, BECAUSE ARMSTRONG STOOD THERE AND NODDED YES,
11 AND WHEN YANNY STARTS SAYING NO, THEN HE BACKTRACKS AND HE
12 FINALLY OWNS UP THAT HE'S HIS LAWYER AND TRIES TO SKIRT
13 AWAY IN THIS LITERARY MATTER ISSUE.

14 BUT THE THING THAT KEEPS COMING BACK TO MY
15 MIND ON THIS SUBJECT IS, JUST AS HE DID IN THE FIRST TRIAL,
16 JUST AS HE DID IN THE FIRST CASE WHERE MR. YANNY AND SOME
17 OF HIS ALLIES WENT TO EXTRAORDINARY LENGTHS TO CREATE
18 PRIVILEGE TO AVOID EXPLORING WHAT'S GOING ON, MR. ARMSTRONG
19 HAS GONE TO NEW AND EVEN MORE EXTRAORDINARY LENGTHS TO LAY
20 IN AN ATTORNEY-CLIENT PRIVILEGE, TO LAY IN A
21 PARALEGAL-EMPLOYER PRIVILEGE, TO LAY IN EVEN A
22 PRIEST-PENITENT PRIVILEGE, THE VERY SAME ONE BENT CORYDON
23 PERPETRATED ON THE COURT BEFORE.

24 IF IT WERE A SIMPLE MATTER OF BEING ABLE TO
25 SAY, NO, I DON'T REPRESENT HIM, AS THE DECLARATION DOES,
26 WELL, THAT SHOULD BE THE END OF IT, AND THAT SHOULD BE IT.
27 BUT IT'S NOT, YOUR HONOR. THIS ISN'T A VACUUM. THIS ISN'T
28 A NEW ONE. THERE'S THE DISSEMBLING IN THE COURTHOUSE.

1 THERE'S ARMSTRONG AND YANNY GOING TO GREAT LENGTHS TO
2 CONCOCT THESE DECLARATIONS, AND FRANKLY, MR. YANNY'S
3 PROCLIVITY FOR RUNNING AROUND FINDING ADVERSE LITIGANTS,
4 BECAUSE DON'T LOSE THE FACT THAT ARMSTRONG WAS IN
5 LITIGATION AT THE TIME THAT THAT INCIDENT TOOK PLACE, LEADS
6 RIGHT INTO THE OTHER PROBLEM HERE, BECAUSE THERE'S ONLY SO
7 MUCH THAT CAN BE DONE ON A DISQUALIFICATION.

8 WHAT CAN BE DONE IN THE DISQUALIFICATION WAS
9 DONE BY JUDGE IDEMAN. THAT DOESN'T STOP HIM FROM BEING A
10 LAWYER, DE FACTO. THAT DOESN'T STOP HIM FROM OPERATING IN
11 THE WEEDS. THAT DOESN'T EXCUSE HIM FROM THE STOCKTON
12 THEATERS COURT THAT YOUR HONOR MENTIONED AND WHICH THE
13 DEFENDANTS HAVE ASSIDUOUSLY AVOIDED MENTIONING.

14 IT DOESN'T RELIEVE THEM OF THE OBLIGATION
15 THAT -- WELL STATED BY THE COURT ON PAGE 81 -- THE
16 OBLIGATION TO REPRESENT THE CLIENT WITH UNDIVIDED FIDELITY.
17 AND IT ALSO PRECLUDES THE LAWYER FOR ACTING FOR OTHERS IN
18 ANY MATTER. DOESN'T SAY LITIGATION. ". . . ANY MATTERS
19 WHERE SUCH SECRETS OR CONFIDENCES OR KNOWLEDGE OF THE
20 CLIENTS' AFFAIRS ACQUIRED IN THE COURSE OF THE EARLIER
21 EMPLOYMENT CAN BE USED TO THE FORMER CLIENT'S
22 DISADVANTAGE."

23 THAT'S THE PROBLEM WITH ARMSTRONG, AND IT'S A
24 DRAMATIC PROBLEM WITH THE AZNARANS.

25 THE COURT: AS FAR AS ARMSTRONG IS CONCERNED, WHAT
26 IS THE EVIDENCE AS OPPOSED TO SURMISE THAT -- DID MR. YANNY
27 WHILE HE REPRESENTED THE PLAINTIFFS BRING ANY ACTION OR BE
28 A LAWYER IN ANY ACTION BROUGHT AGAINST ARMSTRONG?

1 MR. DRESCHER: IN THE MC SHANE DECLARATION, THERE IS
2 -- AND I DON'T HAVE THE PARAGRAPH AT MY FINGERTIPS -- BUT
3 IN THE MC SHANE DECLARATION, MR. MC SHANE SAYS THAT DURING
4 THE PERIOD IN WHICH THOSE AGREEMENTS, SETTLEMENT AGREEMENTS
5 TO WHICH MR. YANNY SO FONDLY REFERS WERE CREATED, ONE OF
6 THE SIGNERS WAS ARMSTRONG. THAT MR. YANNY'S ADVICE AND
7 COUNSEL WAS SOUGHT ON ENTERING INTO THOSE AGREEMENTS, WITH
8 A NUMBER OF PARTIES, INCLUDING GARY ARMSTRONG. THE ENTIRE
9 ARMSTRONG MATTER WAS DISCUSSED TO PUT IT IN CONTEXT.

10 YOUR HONOR, WOULD YOU ASK THEM TO PLEASE KEEP
11 THEIR VOICES DOWN. NOW, THEY'RE TRYING TO DELIBERATELY
12 INTERRUPT. IT'S A HABIT OF MR. YANNY'S, AS THE COURT
13 KNOWS.

14 THE COURT: WELL, MR. YANNY, COOL IT.

15 MR. DRESCHER: IN ANY EVENT, ARMSTRONG HAVING BEEN A
16 LITIGANT FOR A NUMBER OF YEARS, ARMSTRONG WAS SPECIFICALLY
17 APPROACHED AND HIS ADVICE AND COUNSEL SOUGHT REGARDING THE
18 SETTLEMENT, PARTIAL SETTLEMENT OF THE ARMSTRONG CASE THAT
19 WAS UPHELD. HE GAVE ADVICE. I WISH I COULD TELL YOU WHAT
20 IT WAS, BUT IT'S PRIVILEGED, BUT CONSIDERING THE
21 REPRESENTATIONS HE'S MADE ABOUT IT, IT'S AN EXTRAORDINARY
22 THING, BUT THERE IT IS.

23 THE ENTIRE ARMSTRONG CASE WAS LAID OUT TO
24 YANNY BY MR. MC SHANE. MR. YANNY GAVE ADVICE ON THE
25 SETTLEMENT AND HOW THE CHURCH PARTY SETTLING WITH ARMSTRONG
26 SHOULD APPROACH IT AND THAT WAS IT.

27 NOW, THAT MATTER PERSISTED AS THE COURT HAS
28 SEEN IN THE ARMSTRONG OPINION ON UP UNTIL LAST WEEK AND,

1 YOU KNOW, WHO KNOWS WHAT HAPPENS AT THIS POINT, BUT THE
2 TRUTH OF THE MATTER IS, HE REPRESENTED THE CHURCH ON BEHALF
3 OF ARMSTRONG. HE'S NOW REPRESENTING ARMSTRONG BY HIS OWN
4 ADMISSION, AND AS AN AFTERTHOUGHT SAID, IT WASN'T ON THIS
5 MATTER.

6 THERE ARE ALSO TWO BILLS THAT HAVE BEEN
7 SUBMITTED WITH RESPECT TO THE ARMSTRONG REPRESENTATION,
8 BILLS OF MR. YANNY'S OFFICE. SO I CAN'T STAND THERE AND
9 TELL YOU THAT THE EVIDENCE IS AS COMPELLING AS THE
10 AZNARANS, BUT IT IS COMPELLING AND IT IS COMPLETELY
11 CONSISTENT WITH A PATTERN THAT'S BEEN PRESENTED OVER AND
12 OVER AGAIN TO THE COURT.

13 THE COURT: MR. YANNY, YOU HAVE THE OPPORTUNITY NOW
14 TO ADDRESS THE COURT.

15 MR. YANNY: THANK YOU, YOUR HONOR.

16 FIRST OF ALL, I NEVER MADE AN APPEARANCE IN
17 THE ARMSTRONG CASE, SINCE HE'S MADE REPRESENTATIONS --

18 THE COURT: I'LL ASSUME THERE WAS NO APPEARANCE.

19 MR. YANNY: THERE WAS NO APPEARANCE.

20 AND WHAT I TOLD THEM ABOUT THOSE AGREEMENTS
21 IS QUITE SIMPLE. I TOLD THEM THEY WERE AN OBSTRUCTION OF
22 JUSTICE, THEY WERE A FRAUD ON THE COURT, THEY WERE
23 UNENFORCEABLE AND A VARIETY OF OTHER THINGS, ALL OF WHICH
24 TOOK IT OUTSIDE THE PRIVILEGE.

25 I MEAN, YOU HEARD PAUL MORANTZ. I GAVE YOU
26 SOME OF PAUL MORANTZ' TESTIMONY. NONE OF THAT STUFF EVER
27 GOT TO THE COURTS. THOSE HAVE NEVER BEEN APPROVED.

28 NOW, IF YOU WANT TO DO EQUITY, IF YOU WANT TO

1 DO EQUITY, LET'S GET INTO WHETHER THESE PEOPLE HAVE SO
2 LIMITED THE AVAILABLE POOL OF LEGAL RESOURCES THAT IT IS,
3 AS YOUR HONOR POINTED OUT -- TO QUOTE FROM THE COURT AT THE
4 LAST HEARING, PAGE 6, YOU CITED A CASE.

5 YOU SAID, "ALSO, STOCKTON THEATERS V.
6 PALERMO" -- AND I QUOTE THIS PART OF IT, AND I'M QUOTING
7 THE COURT (READING):

8
9 "IS THERE A SUFFICIENTLY SUBSTANTIAL
10 RELATIONSHIP IN THE SUBJECT MATTER BETWEEN
11 THE PAST AND PRESENT REPRESENTATION SO AS TO
12 RENDER THE PRESENT EMPLOYMENT," AND I
13 EMPHASIZED THIS, "UNQUESTIONABLE IN LIGHT OF
14 THE PAST," END QUOTES -- "CLOSED QUOTES,"
15 SAYS THE COURT.

16
17 NOW, IF YOU WANT TO TALK ABOUT EQUITY HERE,
18 LET'S TALK ABOUT WHETHER THOSE AGREEMENTS, NONE OF WHICH
19 WERE EVER PRESENTED TO THE COURT FOR APPROVAL, AND WHICH
20 PAUL MORANTZ ATTEMPTED TO TESTIFY ABOUT BUT YOUR HONOR
21 EXCLUDED UNDER 352, WHETHER THOSE AGREEMENTS, WHEREBY
22 LAWYERS AGREED NOT TO TAKE CASES IN THE FUTURE, WOULD MAKE
23 IT UNEQUITABLE FOR ME NOT TO BE PERMITTED TO TAKE CASES
24 THAT ARE SO DISTANTLY RELATED, IF AT ALL, TO MY PRIOR
25 REPRESENTATION OF THESE PEOPLE.

26 NOW, I REALLY HAVE NO DESIRE TO DO THAT. I
27 STEPPED INTO THE AZNARAN CASE FOR ONE REASON AND ONE REASON
28 ONLY, BECAUSE CONSISTENT WITH THE ILLEGAL ACTIVITIES AND

1 THE UNETHICAL ACTIVITIES OF MR. QUINN AND MR. DRESCHER WITH
2 RESPECT TO BYPASSING THE REPRESENTATION OF THE AZNARANS TO
3 GET MESSAGES TO THEM, THAT THEY OUGHT TO DROP THEIR CURRENT
4 LAWYER AND TALK TO THESE PEOPLE IN PRO PER ABOUT SETTLING.

5 OKAY. THEY ENDED UP IN A SITUATION THAT WAS
6 UNEQUITABLE, AND THAT IS THAT THESE PEOPLE WOULD HAVE BEEN
7 WITHOUT REPRESENTATION AND FACED WITH MOUNDS OF SUMMARY
8 JUDGMENT MOTIONS THAT THEY COULD NOT HAVE RESPONDED TO. AS
9 AN OFFICER OF THE COURT, I DID THE ONE THING I THOUGHT WAS
10 THE APPROPRIATE THING.

11 OKAY. NOW, INsofar AS ARMSTRONG IS
12 CONCERNED, I DON'T REPRESENT ARMSTRONG IN HIS LITIGATION.

13 THE COURT: IF YOU DON'T, THEN YOU SHOULDN'T HAVE
14 ANY CAUSE TO COMPLAIN OF AN ORDER THAT PRECLUDES YOU FROM
15 REPRESENTING HIM AS AN ATTORNEY.

16 MR. YANNY: YOUR HONOR, WOULD -- IF HE WANTS TO COME
17 TO ME AND TALK TO ME ABOUT ART WORK, PROCEDURE NOTICES,
18 PUBLICATIONS, THESE PEOPLE ARE GOING TO BE ABLE TO LOOK
19 OVER MY SHOULDER AND ASK ME WHAT IT IS I'M DOING WITH HIM.

20 NO. THIS COURT PROPERLY NOTED IN ITS OPINION
21 IN YANNY I THAT IF THERE'S ALLEGATIONS OF THAT NATURE, THE
22 PROPER PLACE TO DO THAT IS BEFORE THE STATE BAR. THAT WAY,
23 I DON'T HAVE TO WAIVE PRIVILEGE WITH RESPECT TO MY
24 COMMUNICATIONS WITH RESPECT TO MR. ARMSTRONG IN THE EXTENT
25 OF THE REPRESENTATION THAT DOES EXIST.

26 LET'S SAY, HE COMES TO ME AND HE WANTS TO
27 KNOW ABOUT PROPER COPYRIGHT NOTICES, HE WANTS TO KNOW ABOUT
28 CONVENTION APPLICATIONS BASED ON TRADEMARKS, ET CETERA, ET

1 CETERA, NOTHING TO DO WITH ADVERSE REPRESENTATION OF
2 SCIENTOLOGY. THEY DO NOT HAVE THE RIGHT --

3 THE COURT: MR. YANNY, I STATED THAT THE TRO WAS TOO
4 BROAD IN THAT IT IS THE COURT'S INTENT NOT TO PRECLUDE
5 ASSOCIATION, DISCUSSION, AND SO FORTH, AND I THOUGHT THAT
6 WOULD SEND THE MESSAGE THAT IF THERE WAS AN ORDER, IT WOULD
7 BE A LOT MORE NARROW THAN THE TRO THAT WAS SIGNED.

8 MR. YANNY: YOUR HONOR, BUT BASED ON THE STRENGTH OF
9 WHAT THEY'VE SHOWN; NOTHING?

10 AND WHAT YOU'RE GOING TO DO BY GIVING THESE,
11 THE MOST LITIGIOUS PEOPLE IN THE CITY OF LOS ANGELES, MAYBE
12 THE STATE OF CALIFORNIA, AND MAYBE THE UNITED STATES,
13 YOU'RE GOING TO GIVE THEM AN ORDER BY WHICH THEY ARE THEN
14 GOING TO HARASS EVERY ONE OF MY EMPLOYEES LIKE YOU SAW THEM
15 DO BEFORE, EVERY ONE OF MY CLIENTS, LIKE YOU SAW THEM DO
16 BEFORE.

17 OKAY. AND THAT, BASED ON THE STRENGTH OF
18 WHAT THEY SHOWED, YOU KNOW, IT IS -- I HATE TO SAY THIS --
19 THAT IS INEQUITABLE -- THAT IS INEQUITABLE -- AND ALL OF
20 THIS BECAUSE I DID ONE THING; I HIRED GERRY ARMSTRONG AS A
21 PARALEGAL TO HELP ME ON THE AZNARAN CASE?

22 THE COURT: NO. ALL BECAUSE --

23 MR. YANNY: I TOLD HIM ABOUT COPYRIGHT NOTICES AND I
24 MADE AN APPEARANCE IN A FEDERAL CASE AND THAT THE JUDGE
25 DISQUALIFIED ME.

26 I DON'T THINK AN ORDER IS APPROPRIATE. THIS
27 CASE SHOULD HAVE BEEN THROWN OUT WHEN YOU SAW THE
28 COMPLAINT.

1 THE COURT: MR. QUINN, YOU HAVE THE LAST WORD
2 BECAUSE I'M ABOUT TO MAKE MY ORDER.

3 MR. QUINN: YOUR HONOR, I'D LIKE TO BE ABLE TO
4 CONTRIBUTE SOMETHING HERE AND, PERHAPS, BECAUSE I DON'T
5 HAVE THE LONG BACKGROUND THAT ALL OF YOU DO, MAYBE I HAVE
6 THE OPPORTUNITY TO TAKE JUST A LITTLE FRESHER LOOK.

7 THE COURT TALKED ABOUT THE ORDER THAT WE'RE
8 SEEKING IN THIS CASE, AND IN ESSENCE, REFERRED TO IT AS
9 BROAD. WHEN I FIRST APPROACHED THIS, I THOUGHT IT WAS
10 BROAD, TOO, BUT ON REFLECTION, WHEN I HEAR EVERYTHING
11 THAT'S GONE ON HERE AND THE CONDUCT AND THE BACKGROUND AND
12 FOUR YEARS OF MR. YANNY REPRESENTING THE CHURCH, I LOOKED
13 AT THE ORDER AGAIN, AND IN TALKING ABOUT REPRESENTING
14 ARMSTRONG AND REPRESENTING AZNARANS, YOU KNOW, YOUR HONOR,
15 THE ONLY THING THAT WE ARE SEEKING IN THIS MATTER IS A VERY
16 SIMPLE AND REALLY QUITE A NARROW ORDER.

17 IT DOESN'T HAVE ANYTHING TO DO WITH MR. YANNY
18 PREPARING HIS OWN DEFENSE OR TALKING TO HIS WITNESSES.
19 IT'S REALLY -- I HATE TO USE THIS EXPRESSION; IT GOES BACK
20 TO MY DAYS IN THE DOMESTIC RELATIONS DEPARTMENT -- IT'S
21 ALMOST LIKE A BEATING-YOUR-WIFE ORDER. BUT IT IS JUSTIFIED
22 IN THIS SITUATION.

23 IT SEEKS ONLY TWO THINGS: TO PRECLUDE HIM
24 FROM BREACHING HIS FIDUCIARY DUTY BY DISCLOSING INFORMATION
25 HE LEARNED DURING HIS EMPLOYMENT; THE SECOND THING IT TALKS
26 ABOUT IS TAKING PART IN ANY ACTIVITY WHICH WOULD VIOLATE
27 HIS FIDUCIARY DUTY OF LOYALTY. THAT'S ALL IT ASKS ABOUT.
28 HE OUGHT TO BE ABLE TO COMPLY WITH THAT.

1 THE REASON I THINK WE'RE ENTITLED TO IT IS
2 THE BACKGROUND AND THE COURSE OF CONDUCT SUBSEQUENTLY SHOWS
3 IN YANNY I AND HIS SUBSEQUENT CONDUCT THAT THAT IS A
4 LIKELIHOOD AND A STRONG POSSIBILITY AND HAS, IN FACT,
5 OCCURRED, ESPECIALLY IN THE AZNARAN CASE. AND BASED ON
6 THAT, THAT'S ALL WE'RE ASKING; IS FOR THAT KIND OF AN ORDER
7 WHICH IS ACTUALLY HIS ONLY OBLIGATION.

8 THE COURT: MR. DRESCHER.

9 MR. DRESCHER: YOUR HONOR, I NEED TO BRING TO YOUR
10 ATTENTION THE FACT THAT -- I DON'T KNOW -- IT JUST STRIKES
11 ME THAT IF PEOPLE REALLY HAVE SOME KIND OF OPPOSITION TO
12 SOMETHING, THEY'D COME OUT AND DO IT.

13 MR. YANNY -- AND FRANKLY, JACK AND I HAVE
14 TALKED ABOUT IT AND WE'RE BOTH SICK OF IT. WE'RE BOTH SICK
15 OF THAT MAN OF ACCUSING US OF ANYTHING CONCERNING THE
16 RECORD IN FRONT OF THIS COURT, BUT PARTICULARLY WHEN HE
17 KEEPS COMING BACK TO THIS MOTION, OF SOME SORT OF UNETHICAL
18 CONDUCT WHICH MR. QUINN AND I PARTICIPATED IN.

19 AND HE GOT THE AZNARANS TO SIGN A DECLARATION
20 TO THAT EFFECT. BUT NOW, THE AZNARANS DON'T THINK SO. THE
21 ISSUE AROSE AGAIN IN FRONT OF JUDGE IDEMAN CONCERNING THE
22 CIRCUMSTANCES OF MR. YANNY ASSUMING THEIR REPRESENTATION,
23 MORE PARTICULARLY, THE AZNARANS FIRING OF FORD GREEN.

24 I HOLD IN MY HAND DECLARATIONS FILED AND
25 SIGNED THE 31ST OF JULY BY THE AZNARANS. NOW, IF THEY WERE
26 TELLING YOU THE TRUTH ABOUT WHO DID WHAT TO WHOM, IT WOULD
27 BE THE SAME STORY THAT THE AZNARANS TOLD IN THE EARLIER
28 DECLARATIONS THAT ARE BEFORE THE COURT, BUT IT'S NOT.

1 NOW, THE AZNARANS, AFTER MR. YANNY'S BEEN
2 BOUNCED OUT FOR DELIBERATELY CONSPIRING TO DERIVE THAT
3 CASE, THE AZNARANS HAVING BEEN CAUGHT IN THE ACT, AND YANNY
4 BOUNCED, HAVE HAD TO GO TO SOME BACK VERSION OF THE TRUTH,
5 SO THIS GREAT UNETHICAL -- THEY BOTH SAY, QUOTE (READING):

6
7 "PREVIOUSLY, I WAS SUFFICIENTLY
8 CONCERNED ABOUT MR. GREEN'S ABILITY TO HANDLE
9 AND MAINTAIN THE TRIAL OF MY CASE; THAT I
10 REPLACED HIM WITH MYSELF IN PRO PER AND THEN
11 SUBSTITUTED JOSEPH YANNY. NOW THAT
12 EXPERIENCED TRIAL COUNSEL HAS BEEN RETAINED,
13 I DO NOT FORESEE ANY FURTHER CHANGES IN
14 REPRESENTATION."

15
16 I'D LIKE TO SUBMIT COPIES OF THOSE BECAUSE,
17 YOUR HONOR, THEY'RE JUST NOT LEVELING WITH YOU. THEY'RE
18 GOING TO SAY WHATEVER THEY CAN SAY TO TRY TO AVOID WHAT'S
19 COMING TO THEM, AND IT'S TIME IT COME TO A STOP, AND BEYOND
20 THAT --

21 MR. YANNY: CAN WE HAVE A COPY?

22 MR. DRESCHER: YES. WE CAN GET YOU A COPY FROM THE
23 BACK.

24 IT ALSO OUGHT TO BE CLEAR THAT IF THERE WERE
25 REALLY SOME SORT OF DEFENSE, YOU WOULDN'T BE CONFRONTED
26 OVER AND OVER AGAIN WITH THE WHALING ABOUT THINGS THAT HAVE
27 NOTHING TO DO WITH THIS CASE.

28 THEY WOULDN'T BE CREATING ISSUES THAT DON'T

1 EXIST TO TRY TO KNOCK THEM DOWN IN THEIR BRIEFS. THEY
2 WOULDN'T HAVE TO SCRAMBLE FOR MR. YANNY DRAGGING UP WHAT
3 HE'S DOING TO MR. RATHBUN AND EMPLOYEES. THEY WOULDN'T
4 HAVE TO TRY TO DECEIVE YOU WITH COMMENTS LIKE JACK QUINN
5 AND I WERE TRYING TO ACT UNETHICALLY.

6 THEY WOULDN'T TRY TO STRIKE YOU WITH YOUR
7 STATEMENT -- MR. YANNY'S STATEMENT TO YOU THE LAST TIME
8 THAT JUDGE IDEMAN THOUGHT SO LITTLE OF THE DISQUALIFICATION
9 MOTION, HE WOULDN'T EVEN LOOK AT IT. WELL, THE FIRST DAY
10 HE WAS BACK, HE NOT ONLY LOOKED AT IT; HE FIXED IT, AND
11 THEY WOULDN'T DECEIVE YOU WITH SOME KIND OF MOTION TO THAT.

12 THEY WOULDN'T TRY TO DECEIVE YOU WITH SOME
13 SORT OF NOBILITY GOING ON HERE, BECAUSE MR. YANNY NEVER HAD
14 TO QUALIFY ABOUT ANYTHING TO DO WITH THESE CLIENTS. HE'S
15 POCKETED 2.2 MILLION. THEY PAID HIM TO BE THEIR LAWYER,
16 AND NOW, HE'S TRYING TO ADD TO THAT, AND HE'S TRYING TO DO
17 IT AT THE EXPENSE OF THOSE CLIENTS, AND THAT'S EXACTLY WHAT
18 WE'RE COMPLAINING HERE ABOUT.

19 MR. VAN SICKLE: THAT EMOTIONAL TIRADE ASIDE, THOSE
20 ARE THINGS THAT, AT BEST, NEED TO BE DETERMINED IF THIS
21 CASE EVER PROCEEDS ON THE MERITS, AND WE DO HAVE YANNY II;
22 OF THOSE THAT WERE SHOT DOWN IN YANNY I.

23 BUT ISSUES SUCH AS WHO'S RIGHT AND WHO'S
24 WRONG; AND JOE HAS HIS INTERPRETATION, THEY HAVE THEIR
25 INTERPRETATION ON HOW THE AZNARANS WOUND UP IN PRO PER.
26 THE BOTTOM LINE WAS THE AZNARANS WOUND UP IN PRO PER WITH
27 ABOUT 1,000 PAGES OF SUMMARY JUDGMENT MOTION AND YANNY FELT
28 THE NEED TO FIX IT.

1 BUT IN ANY EVENT, WE GO BACK TO THE BASIC
2 ISSUES WHICH THIS IS A PRELIMINARY INJUNCTION. THIS IS NOT
3 A TRIAL ON THE MERITS. AND THEY'RE COMING IN SEEKING A
4 PRELIMINARY INJUNCTION THAT THE COURT, I THINK IN THE PAST,
5 HAS SEEN THEM ABUSE.

6 THEY COME IN AND SAY, WHAT'S THE HARM, WHAT'S
7 THE HARM, WHAT'S THE HARM. THEY SEEK A PRELIMINARY
8 INJUNCTION. THEY THEN DEFY -- THEY MAKE IT NOT ONLY
9 AGAINST MR. YANNY, BUT HIS LAWYERS, EVERYBODY THAT WORKS
10 WITH HIM. THEY PUT A PARAGRAPH IN ABOUT EVERYBODY THAT'S
11 ACTING IN CONCERT.

12 THEY MENTION KEN ROSE, A DECLARATION WHICH IS
13 A COMPLETE FABRICATION. THE NEXT THING WE'RE GOING TO SEE,
14 WE'RE GOING TO SEE -- KEN ROSE IS HERE TODAY -- KEN ROSE
15 DEPOSED IN THIS CASE, EVEN THOUGH HE HAS NOTHING TO DO WITH
16 IT.

17 YESTERDAY, I SAW ANOTHER EXAMPLE OF CLEAR
18 ABUSE IN THE ROXANNE FRIEND CASE. THEY NOTICED THE
19 DEPOSITIONS OF THE WHITFIELDS. ANOTHER COUNSEL. THEY'RE
20 AT WAR WITH THE PROBLEM AND THEY'RE NOT COMING IN AND
21 MEETING THEIR BURDEN. THERE'S A LOT OF NAME CALLING, A LOT
22 OF EXCITEMENT, BUT THEY'RE COMING IN AND SEEKING A
23 PRELIMINARY INJUNCTION, AND WE'VE GOT A DEFENSE, AND WE PUT
24 IN THERE FACTUALLY THAT DIDN'T HAPPEN. WHAT HAPPENED?

25 WE WERE IN THE AZNARAN CASE, BRIEFLY. WE'RE
26 OUT. WE HAD A REASON. IT WAS A GOOD REASON. WE NEVER
27 REPRESENTED ARMSTRONG. THAT'S ALL THERE IS.

28 NOW, ALL THIS TALK ABOUT BACK AND FORTH AND

1 THE RATHBUNS IS RIDICULOUS. DECLARATIONS ASIDE, THOSE ARE
2 THINGS THAT THE COURT CAN WEIGH OR THE JURY CAN WEIGH, IF
3 WE DON'T GET THIS THING BOUNCED ON THE PRELIMINARY
4 INJUNCTION.

5 WHERE IS THE BEEF?

6 IT'S NOT THERE.

7 THE COURT: THE COURT, AFTER HEARING ARGUMENT AND
8 READING THE DOCUMENTS OF COUNSEL, DOES THE FOLLOWING:

9 INSOFAR AS THE TRO IS CONCERNED, THE COURT
10 FINDS THAT IT IS TOO BROAD IN NATURE, THEREFORE, THE COURT
11 WILL DO THE FOLLOWING:

12 THE COURT FINDS THAT THERE IS A LIKELIHOOD
13 THAT THE PLAINTIFFS WILL PREVAIL IN THIS MATTER AGAINST MR.
14 YANNY AND, THEREFORE, AND ALSO, THAT IN LIGHT OF MR.
15 YANNY'S STATEMENT THAT HE DOES NOT REPRESENT ARMSTRONG,
16 THAT HE SHOULD NOT BE, THEREFORE, CONCERNED WITH A
17 PRELIMINARY INJUNCTION.

18 THE COURT RULES THAT YANNY -- THE COURT NOTES
19 THAT YANNY REPRESENTED THE PLAINTIFFS FOR SEVERAL YEARS AND
20 NOW HAS APPEARED AS COUNSEL FOR THE AZNARANS IN THE FEDERAL
21 COURT AGAINST HIS FORMER CLIENTS, THE PLAINTIFFS, WITHOUT
22 THEIR CONSENT IN VIOLATION -- APPEARS TO BE IN VIOLATION OF
23 BUSINESS AND PROFESSIONS CODE 6068(E) AND RULES OF
24 PROFESSIONAL CONDUCT 3-310(D).

25 THE COURT IN ITS STATEMENT OF DECISION IN
26 CASE NO. 690211, THE YANNY ONE CASE, OBSERVED THAT
27 DEFENDANT YANNY MANIFESTED, QUOTE, "READY WILLINGNESS TO
28 DISREGARD LEGAL ETHICAL RESPONSIBILITIES OWED TO HIS FORMER

1 CLIENT," CLOSED QUOTE.

2 YANNY HAS APPEARED AS COUNSEL OF RECORD FOR
3 THE AZNARANS ON MATTERS SUBSTANTIALLY SIMILAR TO THOSE FOR
4 WHICH YANNY WAS ENGAGED TO SAFEGUARD FOR HIS CLIENTS THE
5 PLAINTIFFS.

6 THERE IS NO WRITTEN CONSENT BY DEFENDANTS TO
7 DO SO, NOR DOES IT APPEAR THAT PLAINTIFFS WILL EVER
8 CONSENT, AND ON THAT SCORE, YOU WILL SEE PAGES 8855 DAR,
9 8849 IN THE COMPLEX ASBESTOS LITIGATION CASE AS PREVIOUSLY
10 CITED AND IS IN THE POINTS AND AUTHORITIES.

11 THE COURT NOTES IN THE COMPLAINT ALLEGES THAT
12 YANNY REPRESENTS GERALD ARMSTRONG AGAINST THE PLAINTIFFS.
13 THIS FACT IS DISPUTED AND WILL BE DETERMINED AT TRIAL.

14 IN THE INTERIM, THE COURT NOTES THAT THE
15 PLAINTIFFS SEEK A PRELIMINARY INJUNCTION TO PREVENT YANNY
16 FROM REPRESENTING ARMSTRONG IN ANY ACTION AGAINST THE
17 PLAINTIFFS.

18 YANNY, AN ATTORNEY FOR PLAINTIFF, BROUGHT
19 LEGAL ACTION AGAINST -- EXCUSE ME -- STRIKE THAT.

20 YANNY DENIES THAT HE REPRESENTS ARMSTRONG, A
21 FACT WHICH WILL BE DETERMINED AT TRIAL. THEREFORE, YANNY
22 SHOULD NOT BE CAUSED TO COMPLAIN FOR A PRELIMINARY
23 INJUNCTION THAT PREVENTS HIM FROM REPRESENTING ARMSTRONG.

24 FINALLY, MR. YANNY'S STATEMENT OF THE DILEMMA
25 THAT HE FOUND HIMSELF IN WHEN HE CHOSE TO BECOME OF RECORD
26 FOR THE AZNARANS IN THE FEDERAL COURT, IT WOULD APPEAR THAT
27 WITHOUT THE CONSENT OF THE FORMER CLIENTS, THAT IT APPEARS
28 TO BE A MATTER SUBSTANTIALLY SIMILAR TO THOSE FOR WHICH HE

1 REPRESENTED THE CHURCH AGAINST OTHERS, AND ALTHOUGH MR.
2 YANNY INSISTS THAT HE SAW IT HIS DUTY TO BECOME OF RECORD
3 FOR THE AZNARANS, IT APPEARS THAT, AT LEAST FOR THE
4 PURPOSES OF THIS HEARING, THAT MR. YANNY DID VIOLATE THE
5 RULES OF PROFESSIONAL CONDUCT BY NOT OBTAINING CONSENT --
6 AND I SAY, IT APPEARS TO -- AND THAT'S THE POSTURE THAT I
7 MAKE AT THIS TIME -- THAT IS THE RULING THAT I MAKE AT THIS
8 TIME.

9 THEREFORE, THE COURT FINDS THAT THERE'S A
10 LIKELIHOOD THAT THE PLAINTIFFS WILL PREVAIL IN THIS MATTER,
11 AND THAT THE MONEY DAMAGES ARE NOT ADEQUATE.

12 A PRELIMINARY INJUNCTION WILL ISSUE, NARROW
13 IN SCOPE. THAT IS TO SAY, THAT MR. YANNY SHALL NOT
14 REPRESENT THE AZNARANS DIRECTLY OR INDIRECTLY IN ANY CASE
15 AGAINST PLAINTIFFS, IN ANY CASE IN THIS COUNTY.

16 NEXT: YANNY MAY NOT INITIATE ANY LEGAL
17 PROCEEDINGS FOR AZNARANS AGAINST THE PLAINTIFFS WITHIN THE
18 STATE OR FEDERAL COURT OF THIS STATE.

19 NEXT: ANY ACTIONS ALREADY FILED BEFORE JULY
20 31ST, '91 IN WHICH YANNY IS OF COUNSEL FOR AZNARANS SHALL
21 BE SUBJECT TO AN INDIVIDUAL MOTION TO DISQUALIFY IN THAT
22 COUNTY, SHOULD THERE BE ONE.

23 THE POINT IS THAT THIS PRELIMINARY INJUNCTION
24 PRECLUDES YANNY FROM INITIATING ANY CASE WHERE HE IS OF
25 COUNSEL OF RECORD FOR THE AZNARANS IN THIS STATE.

26 INSOFAR AS GERALD ARMSTRONG IS CONCERNED, A
27 PRELIMINARY INJUNCTION WILL ISSUE THAT YANNY NOT REPRESENT
28 ARMSTRONG DIRECTLY OR INDIRECTLY IN ANY LEGAL PROCEEDING

1 AGAINST PLAINTIFFS WITHOUT PLAINTIFFS' PRIOR WRITTEN
2 CONSENT OR FURTHER COURT ORDER.

3 THAT YANNY NOT INITIATE ANY LEGAL PROCEEDING
4 IN ANY COURT OF THIS STATE OR IN THE FEDERAL COURT FOR
5 YANNY AGAINST -- FOR ARMSTRONG AGAINST THE PLAINTIFFS.

6 AND NEXT: IN ANY ACTION THAT MAY HAVE BEEN
7 FILED PRIOR TO JULY 31ST, '91 BY YANNY IN FAVOR OF
8 ARMSTRONG AGAINST THE PLAINTIFFS; THAT THAT MATTER SHALL BE
9 A SUBJECT OF AN INDIVIDUAL MOTION TO DISQUALIFY IN SUCH
10 OTHER COUNTY SHOULD THAT CASE HAVE BEEN FILED.

11 THE COURT HAS NARROWED THE INJUNCTION SO THAT
12 IT PRECLUDES MR. YANNY AND YANNY CORPORATION FROM
13 REPRESENTING THE AZNARANS AS COUNSEL, AND THAT MEANS
14 DIRECTLY OR INDIRECTLY.

15 WITHOUT ENUMERATING THE MANY INSTANCES WHERE
16 CONDUCT IS ALLOWED, THE GENERAL IMPORT OF THIS PRELIMINARY
17 INJUNCTION IS NOT TO PRECLUDE ASSOCIATION. IT'S NOT TO
18 PRECLUDE EMPLOYMENT. IT'S NOT TO PRECLUDE MR. YANNY'S
19 RELIGIOUS ACTIVITIES, IF THERE ARE ANY, AND IT IS NOT AN
20 ATTEMPT BY THIS COURT TO RESTRAIN ASSOCIATION, BUT RATHER,
21 IT'S A LIMITED INJUNCTION THAT PRECLUDES REPRESENTATION OF
22 THESE TWO OR THREE ENTITIES, THE TWO AZNARANS AND MR.
23 ARMSTRONG, AS LAWYERS IN A CASE, OR NOT REPRESENTING HIM AS
24 A LAWYER, AND NOT TO DO IT DIRECTLY OR INDIRECTLY, SUCH AS
25 THROUGH ANOTHER LAWYER.

26 HAVING SAID THAT, MR. DRESCHER, A NEW ORDER
27 WILL ISSUE CONSISTENT WITH THE COURT'S COMMENTS, MAKING IT
28 A VERY NARROW, LIMITED ONE, AS I'VE OUTLINED.

1 THE COURT FURTHER ORDERS THAT --

2 BEFORE I MAKE A FURTHER ORDER, I WILL POINT
3 OUT THAT JUDGE TORRES WILL THIS DAY SIGN AN ORDER ASSIGNING
4 THIS CASE TO THIS JUDGE WITHOUT FURTHER MOTION TO BE MADE
5 BY EITHER SIDE, AND THE COURT HEREBY ORDERS THAT DEFENDANTS
6 FILE AN ANSWER WITHIN 20 DAYS AND, FURTHER, THAT AN AT
7 ISSUE MUST BE FILED WITHIN 30 DAYS OF TODAY'S DATE.

8 FURTHER, THAT THE TRIAL OF THIS MATTER IS
9 GOING TO BE SET OCTOBER 21ST, 1991 AT 9:00 A.M. IN THIS
10 DEPARTMENT.

11 MR. YANNY: YOUR HONOR --

12 THE COURT: YES.

13 MR. YANNY: -- IF I MIGHT.

14 I WANT TO MAKE SURE THAT THE ORDER AS THE
15 COURT HAS INDICATED DOES NOT AS WELL PRECLUDE ME FROM
16 DEFENDING MYSELF ANYPLACE, SUCH AS IN THE AZNARANS' CASE,
17 WHERE MY NAME HAS BEEN INTERJECTED --

18 THE COURT: FURTHER COMMENT.

19 MR. YANNY: -- BY THESE PEOPLE.

20 THE COURT: FURTHER COMMENT: CONSISTENT WITH ITS
21 RULING IN YANNY I, THE COURT NOW MAKES NO ORDER PRECLUDING
22 OR PREVENTING MR. YANNY FROM BRINGING ANY LEGAL ACTION
23 AGAINST THE PLAINTIFFS, SHOULD HE DEEM THAT HE HAS BEEN
24 WRONGED.

25 IT IS NOT AN ORDER THAT PRECLUDES HIM FROM
26 GATHERING EVIDENCE IN SUPPORT OF HIS CASE AGAINST THE
27 PLAINTIFFS, NOR DOES IT PRECLUDE HIM FROM TALKING TO
28 POTENTIAL WITNESSES FOR HIS CASE, SHOULD THERE BE ONE.

1 I PURPOSEFULLY HAVE NOT SOUGHT TO ENUMERATE
2 ALL THE INSTANCES THAT ARE NOT COVERED, BUT RATHER TO GIVE
3 YOU SOME GENERAL STATEMENTS TO GIVE YOU SOME GUIDELINE.

4 THE COURT HAS NOW SET A TRIAL DATE, WHICH IS
5 A QUICK ONE, BUT THE ISSUES ARE NARROW, AND IT SEEMS TO ME,
6 AS AN OBSERVATION, RATHER THAN A RULING, THAT THE REAL
7 ISSUE IS WHETHER A PERMANENT INJUNCTION SHOULD BE ISSUED AS
8 AGAINST YANNY REPRESENTING THE AZNARANS, AND THE FACTUAL
9 QUESTION WHETHER OR NOT THERE REALLY IS ANY REPRESENTATION
10 OF ARMSTRONG BY YANNY.

11 THE ORDER IS MADE THIS MORNING ON THE PREMISE
12 THAT MR. YANNY DENIES THAT HE REPRESENTS ARMSTRONG, AND IF
13 THAT'S THE CASE, HE'S NOT HARMED IN THE INTERIM BY IT, BUT
14 THE COMMENTS MADE ARE INTENDED TO GIVE SOME INSIGHT THAT I
15 DON'T ANTICIPATE NOR WILL I LOOK TOO KINDLY ON PLAINTIFFS
16 BRINGING DEFENDANT YANNY IN HERE FOR EVERY, LITTLE CLAIMED
17 WRONG, BECAUSE THAT IS NOT THE INTENT.

18 THE INTENT IS TO QUICKLY RESOLVE THIS MATTER,
19 AND IT IS IN THE LAST WORD I HAVE TO SAY IS, AS FAR AS THIS
20 COURT'S CONCERNED, THIS IS NOT A LAWSUIT TO RIGHT MANY
21 WRONGS THAT ARE CLAIMED OR TO RESOLVE THE OBVIOUS DISPUTE
22 AND TO EQUAL THE ANIMOSITY THAT EXISTS, BUT RATHER TO RULE
23 ON THE NARROW QUESTIONS OF WHETHER OR NOT THERE'S A
24 VIOLATION OF RULES OF PROFESSIONAL CONDUCT, AND WHAT, IF
25 ANY, THE COURT SHOULD GIVE TO IT.

26 MR. YANNY: YOUR HONOR, I WOULD ASK WITH RESPECT TO
27 THE MATTER OF THE BOND, I WOULD ASK THAT THERE BE NO BOND
28 POSTED AND THE PLAINTIFFS WAIVE --

1 THE COURT: TO THE EXTENT THAT THERE IS A BOND,
2 THERE WILL BE NO BOND.

3 MR. YANNY: SO AS NOT TO BE PRECLUDED FROM GOING
4 AFTER THE FULL AMOUNT OF DAMAGE SHOULD THERE HAVE BEEN A
5 WRONGFUL ENJOINMENT AT THE REQUEST OF THE PLAINTIFFS.

6 THE COURT: THE REQUEST OF DAMAGES AND SO FORTH WILL
7 BE ADDRESSED TO OCTOBER 21ST.

8 MR. DRESCHER: THANK YOU, YOUR HONOR.

9 MR. QUINN: YOUR HONOR, MIGHT I POINT OUT JUST ONE
10 MECHANICAL PROBLEM.

11 THE AZNARANS' TRIAL IS SET FOR OCTOBER, WHICH
12 MR. DRESCHER AND I APPEAR, AND IT'S TO BE FOLLOWED BY THE
13 CORYDON CASE, THE ONLY CASE WE'RE INVOLVED WITH MR. VAN
14 SICKLE, WHICH COMES RIGHT BEYOND BEHIND THAT, SO I JUST
15 THOUGHT WE OUGHT TO WARN YOU ABOUT THE PROBLEM ON THE TRIAL
16 DATE.

17 THE COURT: TO BEGIN WITH, I THOUGHT CORYDON HAD
18 SOMEHOW BEEN RESOLVED OR WAS ON THE VERGE OF BEING
19 RESOLVED, WHICH WOULD ELIMINATE ONE OF THE QUESTIONS. THE
20 OTHER CASE, I'M NOT AWARE OF.

21 BUT FOR NOW, I'M GOING TO DO THE FOLLOWING:

22 I'M GOING TO ADD THAT THERE WILL BE A STATUS
23 CONFERENCE IN THIS CASE OCTOBER 11TH, '91, AT 9:00 A.M. IN
24 THIS DEPARTMENT, AND THAT IS SO THAT THE COURT CAN REVIEW
25 THE POSTURE OF THE OTHER PROCEEDINGS AND MAKE SUCH OTHER
26 ORDERS AS WILL BE REQUIRED.

27 I THINK I'VE SAID ALL THAT I NEED TO SAY,
28 AND, MR. DRESCHER, IF YOU WILL, PREPARE AN ORDER CONSISTENT

1 WITH THE COURT'S COMMENTS.

2 MR. DRESCHER: WE CERTAINLY WILL.

3 THANK YOU.

4 MR. YANNY: THANK YOU, YOUR HONOR.

5
6 (PROCEEDINGS CONCLUDED.)
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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

DEPARTMENT 41

HON. RAYMOND CARDENAS, JUDGE

RELIGIOUS TECHNOLOGY CENTER, A)
CALIFORNIA NON-PROFIT RELIGIOUS)
CORPORATION; CHURCH OF SCIENTOLOGY)
INTERNATIONAL, A CALIFORNIA NON-PROFIT)
RELIGIOUS CORPORATION; AND CHURCH OF)
SCIENTOLOGY OF CALIFORNIA, A)
CALIFORNIA NON-PROFIT RELIGIOUS)
CORPORATION,)

PLAINTIFFS,)

VS.)

JOSEPH A. YANNY, AN INDIVIDUAL;)
JOSEPH A. YANNY, A PROFESSIONAL LAW)
CORPORATION; AND DOES 1 THROUGH 25,)
INCLUSIVE,)

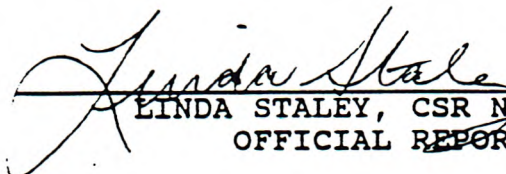
DEFENDANTS.)

SUPERIOR COURT
CASE NO. BC 033035

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)

I, LINDA STALEY, OFFICIAL REPORTER OF THE
SUPERIOR COURT OF THE STATE OF CALIFORNIA, FOR THE COUNTY
OF LOS ANGELES, DO HEREBY CERTIFY THAT THE FOREGOING PAGES
1 THROUGH 38, INCLUSIVE, COMPRISE A TRUE AND CORRECT
TRANSCRIPT OF THE PROCEEDINGS TAKEN IN THE ABOVE-ENTITLED
MATTER REPORTED BY ME ON AUGUST 6, 1991.

DATED THIS 20TH DAY OF AUGUST 1991.


LINDA STALEY, CSR NO. 3359
OFFICIAL REPORTER